

AMENDMENTS TO THE SPECIFICATION

Please replace Paragraph [0007] with the following paragraph rewritten in amendment format:

[0007] The invention provides a caption overlaying method used on an interactive video equipment, in which information of a caption to be generated set by a user is received by a control layer, comprising:

- A. providing a caption generating module, receiving the information of the caption to be generated from the control layer, and generating a caption image with a transparent background according to the received information;
- B. providing a caption overlaying module, overlaying the caption image on a digital service image, ~~[[and]] obtaining [[an]]~~a mingled image with the caption, encoding the mingled image, and to display at a local side and/or transmitting an encoded mingled ~~[[the]] image which comprises the caption image and the digital service image as one object to a remote side.~~

Please replace Paragraph [0013] with the following paragraph rewritten in amendment format:

[0013] It is better that the control layer may select to overlay the caption image at ~~[[the]]~~a local side or at [[the]]a remote side. When selecting at local side, the caption image is overlaid on the pre-encoded locally received service image to obtain the mingled image, encoding the mingled image, ~~after decoding and then outputting to the local side for display.~~ ~~When selecting at remote side, the caption image is overlaid~~

~~on the locally service image to be transmitted transmitting the encoded mingled image before encoding, and then the image which comprises the caption image and the digital service image was encoded and transmitted to the remote side as one object after encoding.~~

Please replace Paragraph [0015] with the following paragraph rewritten in amendment format:

[0015] the caption overlaying module overlays the caption image on a digital service image, [[and]] obtains [[an]] a mingled image with [[the]] caption to be encoded and transmitted display at a local side and/or the image which comprises the caption image and the digital service image is transmitted as one object to a remote side.

Please replace Paragraph [0018] with the following paragraph rewritten in amendment format:

[0018] It is better that the caption overlaying module further comprises a first caption overlaying module and a second caption overlaying module, and the caption generating module further comprises a first caption generating module and a second caption generating module; wherein